

BOARD OF SUPERVISORS

MINUTES

December 11, 2003

Supervisors in Attendance:

Mr. Arthur S. Warren, Chairman
Mr. J. L. McHale, III, Vice Chrm.
Mr. Edward B. Barber
Mrs. Renny B. Humphrey
Mr. Kelly E. Miller

Mr. Lane B. Ramsey
County Administrator

School Board Member in Attendance:

Mrs. Elizabeth Davis, Chairman

Staff in Attendance:

Dr. Billy Cannaday, Jr.,
Supt., School Board
Ms. Marilyn Cole, Asst.
County Administrator
Ms. Rebecca Dickson, Dir.,
Budget and Management
Ms. Lisa Elko, CMC,
Clerk
Chief Stephen A. Elswick,
Fire Department
Mr. Bradford S. Hammer,
Deputy Co. Admin.,
Human Services
Mr. John W. Harmon,
Right-of-Way Manager
Ms. Kathryn Kitchen, Asst.
Supt. of Schools for
Business and Finance
Mr. R. John McCracken,
Dir., Transportation
Mr. Richard M. McElfish,
Dir., Env. Engineering
Mr. Steven L. Micas,
County Attorney
Mr. Francis Pitaro, Dir.,
General Services
Ms. Chris Ruth, Asst.
Dir., Public Affairs
Mr. James J. L. Stegmaier,
Deputy Co. Admin.,
Management Services

1. DINNER

Board members had dinner together in Room 502 of the Administration Building prior to the meeting.

Mr. Warren called the adjourned meeting to order at 7:07 p.m.

2. INVOCATION

Mr. Miller gave the invocation.

3. PLEDGE OF ALLEGIANCE

Mr. McHale led the Pledge of Allegiance to the flag of the United States of America.

**3.A. REQUESTS TO POSTPONE ACTION, ADDITIONS, OR CHANGES IN
THE ORDER OF PRESENTATION**

On motion of Mr. Mr. Barber, seconded by Mrs. Humphrey, the Board replaced Item 4., Appeal of First Choice Public Partners to the Planning Commission's Report, with the Report of Planning Commission Substantial Accord Determination for a Public High School on Genito Road (Case No. 04PD0163); replaced Item 5., Appeal of Chesterfield County School Board to the Planning Commission's Report, with the Report of Planning Commission Substantial Accord Determination for a Public Middle School on Hull Street Road (Case No. 04PD0158); replaced Item 7., Consideration of a Comprehensive Agreement Between the Chesterfield County School Board and First Choice Public-Private Partners: Chesterfield, LLC; and adopted the Agenda, as amended.

Ayes: Warren, McHale, Barber, Humphrey and Miller.

Nays: None.

Mr. Warren called forward Mrs. Elizabeth Davis, Chairman of the School Board.

Mrs. Davis requested that the Board take the first step to relieve overcrowding in high schools by approving the Cosby Road site and the necessary financing. She stated staff has continued negotiations with First Choice Public-Private Partners to lower the construction cost to \$48,098,405, and the School Board has agreed to amend the Comprehensive Agreement to forego a share in any cost savings. She further stated the School Board will work with the Board of Supervisors and the Planning Commission to develop a new Public Facilities Plan and a Capital Improvement Plan that will relieve the serious overcrowding in the western area of the county.

Mr. Warren called for public comment at this time.

Ms. Rebecca King, representing Homeowners for Quality Schools, stated that in addition to two new high schools, the county's growing population will also need additional middle school capacity as well as elementary schools in the Swift Creek, Bermuda and Midlothian/Route 288 areas. She reviewed choices to minimize costs and options for a second high school.

Ms. Lori Hinton, a teacher at Alberta Smith Elementary School, expressed concerns relative to traffic congestion and accidents; too many trailers at schools; overuse and improper maintenance of schools; lack of space for resources; shortage of restrooms in the schools; and the number of students in classrooms. She inquired why a high school would be proposed for an area of Hull Street that is already very congested.

Ms. Mary Robinson, Principal of Swift Creek Middle School, expressed concerns relative to middle school overcrowding and security involved with trailer use, and stated the sooner a solution can be provided for overcrowding, the better it will be for the students.

Dr. Brenda Mayo, Principal of Clover Hill High School, stressed the importance of community needs over individual

agendas and also the importance of creating an atmosphere of teamwork to support the county's public schools. She stated she feels the needs of Clover Hill High School are being overlooked, and requested that the Board put the children first when making its decision. She further stated that, although the Math and Science High School at Clover Hill is not a physical structure, it is a school in spirit and is known nationally as well as internationally. She stated she hopes the Board will continue to search for answers to address school growth issues.

Mr. Lud Hudgins, a Matoaca District resident, stated he feels the county needs two new high schools as well as the renovation of Clover Hill High School into a middle school. He expressed concerns that thousands of lots have already been approved in the county for residential development, and he feels the school system will be beyond intended capacity in all schools by 2006. He requested that the Board approve all three projects as recommended by Planning staff.

Mr. George Beadles, a Clover Hill District resident, expressed concerns relative to aging facilities, and stated he feels all school buildings 50 years or older should be replaced. He stated the county must build additional schools, whether now or later, and suggested that the School Board plan better for the future.

Ms. Laurie Newell stated she supports the original proposal of the School Board for two new high schools and conversion of Clover Hill High School into a middle school. She further stated the proposal alleviates the overcrowding at Clover Hill High School and helps alleviate overcrowding at Manchester High and potentially Midlothian High. She stated that building two new high schools would allow the county to convert Clover Hill High School into a middle school while it is empty. She further stated she does not feel moving the Math and Science Center to Matoaca High School is a viable solution because it would cause Mataoca to be overcrowded. She stated that waiting for a bond referendum to address school overcrowding could delay relief for an additional two to three years, and requested that the Board overturn the Planning Commission's substantial accord determinations and approve the proposal in its entirety.

Ms. Yvonne Mullins, PTSA President at Clover Hill High School, requested that the Board approve both the Genito Road Cosby Road sites because they are necessary to address overcrowding at Clover Hill, Manchester and Midlothian High Schools. She expressed concerns that there is insufficient middle and high school space, yet the Board continues to approve more subdivisions. She implored the Board to approve the entire proposal and keep quality education at the forefront of the county.

Ms. Mandy Wilson, Chairman of the Education Committee for Hampton Park, stated she supports the original proposal for two new high schools and conversion of Clover Hill High School into a middle school. She further stated many citizens feel that some Board members might not be supportive of the proposal because it does not provide anything for their districts.

Mr. Barber noted there are many capacity issues in all districts of the county that need to be addressed, and it is difficult to determine which issues are most important.

Mr. William Shewmake, a Midlothian District resident, requested that the Board approve the School Board's request to approve the Cosby Road site and funding at this time, and then reach a consensus for a bond referendum to address other overcrowding issues. He noted that, although the last bond referendum contained no projects in the Midlothian District, Mr. Barber was one of its biggest supporters.

Mr. Bill Hastings, a Matoaca District resident, stated the residents of the 360 Corridor have expressed concerns to him regarding traffic along Route 360 and overcrowding of schools in that area. He further stated he feels reducing the proposal to only one high school and then approving additional residential development is not right and the residents deserve something better.

Ms. Brenda Stewart, a Matoaca District resident, stated she does not feel the county will benefit from the PPEA process, and expressed concerns that there was no competition because of the failure to address school locations prior to seeking proposals for the buildings and site improvements. She stated she feels the new Public Facilities Plan needs to be completed prior to approving any new schools. She further stated many citizens feel that failure to move specialized programs and make attendance zone changes have fostered most of the current overcrowding in certain schools, and noted these are not facility issues. She stated she feels the county needs to use existing facilities before building new ones, and requested that the Board abandon the PPEA process, update the Public Facilities Plan, and determine where to build new schools based on current needs guided by relevant economic factors.

Ms. Beth Claypoole expressed concerns relative to overcrowding in both the middle and high schools, and stated she would be delighted to pay additional taxes to address school overcrowding.

Ms. Lee Dillar, a Woodlake resident, stated she supports two new high schools and renovation of Clover Hill High School into a middle school.

Mr. Greg Blake, President of the Foxcroft Homeowners Association Board of Directors, stated it makes no sense for the Board to approve only one high school because it would be overcrowded from the beginning. He further stated converting Clover Hill High School into a middle school would help to reduce traffic on Route 360, and urged the Board to approve the original proposal.

Ms. Marlene Durfey stated she feels the county needs both a new high school and a new middle school, but she does not feel the Board has sufficient information to make a decision tonight. She further stated she feels it would be a huge mistake to place a high school on Cosby Road because of congestion on Route 360 and dangerous road conditions that exist on both Otterdale and Woolridge Roads where improvements are not scheduled until at least 2010. She requested that the Board take additional time to analyze

current enrollment and growth projections and make good decisions based on good planning criteria.

No one else came forward to speak to the issues.

**4. REPORT OF PLANNING COMMISSION SUBSTANTIAL ACCORD
DETERMINATION FOR A PUBLIC HIGH SCHOOL ON GENITO ROAD
(CASE NO. 04PD0163)**

Mr. Ramsey stated the Planning Commission determined a public high school on Genito Road not to be substantially in accord with the Comprehensive Plan. He further stated the appeal of First Choice Public-Private Partners; Chesterfield, LLC has been withdrawn.

Mr. Warren made a motion for the Board to reverse the Planning Commission's substantial accord determination for a public high school site on Genito Road and determine that the site is in substantial accord with the Comprehensive Plan.

Mr. Warren's motion failed for lack of a second.

On motion of Mr. Miller, seconded by Mr. Barber, the Board accepted the report on the Planning Commission's substantial accord determination for a public high school site on Genito Road (Case No. 04PD0163).

Ayes: McHale, Barber, Humphrey and Miller.
Nays: Warren.

**5. REPORT OF PLANNING COMMISSION SUBSTANTIAL ACCORD
DETERMINATION FOR A PUBLIC MIDDLE SCHOOL ON HULL STREET
ROAD (CASE NO. 04PD0158)**

Mr. Warren made a motion for the Board to reverse the Planning Commission's substantial accord determination for a public middle school site on Hull Street Road and determine that the site is in substantial accord with the Comprehensive Plan.

Mr. Warren's motion failed for lack of a second.

On motion of Mr. Barber, seconded by Mr. Miller, the Board accepted the report on the Planning Commission's substantial accord determination for a public middle school site on Hull Street Road (Case No. 04PD0158).

Ayes: McHale, Barber, Humphrey and Miller.
Nays: Warren.

**6. RECEIPT OF THE PLANNING COMMISSION'S REPORT (CASE NO.
04PD0188) FINDING THAT THE COSBY ROAD SITE IS IN
SUBSTANTIAL ACCORD WITH THE COMPREHENSIVE PLAN FOR THE
PURPOSE OF CONSTRUCTING A HIGH SCHOOL**

On motion of Mrs. Humphrey, seconded by Mr. Barber, the Board accepted the report on the Planning Commission's substantial accord determination for a public high school site on Cosby Road (Case No. 04PD0188).

Ayes: Warren, McHale, Barber, Humphrey and Miller.
Nays: None.

**7. CONSIDERATION OF A COMPREHENSIVE AGREEMENT BETWEEN THE
CHESTERFIELD COUNTY SCHOOL BOARD AND FIRST CHOICE
PUBLIC-PRIVATE PARTNERS: CHESTERFIELD, LLC**

Mr. Ramsey stated the amended agenda item reflects Ms. Davis's request for the Board to approve a comprehensive agreement for construction of one new high school on a parcel of land on Cosby Road at a total project cost of \$55,558,442.

Mr. Miller inquired about the renegotiation of any savings the county would have realized as a result of the bidding of sub-contracted work by the contractor.

Dr. Cannaday requested that Mr. Doug Dalton, representing First Choice Public-Private Partners, come forward and provide the Board with details regarding distribution of cost savings.

Mr. Dalton provided details of lost opportunities for cost savings as a result of building only one high school rather than two new high schools. He stated the cost savings that were to have been distributed between the two schools now must be balanced for only one school, which will result in a \$3,863,006 loss in cost savings. He stated the total project cost has now been reduced by \$1,262,500, and the net cost savings that will not be redistributed is \$2,600,506.

Mr. Barber inquired about availability of the plans to duplicate the school in the future.

Mr. Doug Westmoreland, representing Moseley Architects, stated that once the plans are available, the repeat fee is essentially half the fee of a custom design.

Mr. Miller stated he has had concerns regarding this entire issue from the very beginning and still has concerns about differentiating costs. He further stated not addressing school overcrowding might reflect irresponsibility on his part, and he is very sensitive to public school needs in the county; therefore, he will reluctantly support the comprehensive agreement with the amended cost.

Mr. Miller then made a motion, seconded by Mr. Barber, for the Board to approve a comprehensive agreement with First Choice Public-Private Partners: Chesterfield, LLC, in an amount not to exceed \$48,098,045 plus the cost of land and off-site improvements, resulting in a total project cost of \$55,558,442, allowing construction of one new high school on a parcel of land on Cosby Road.

Mr. Barber stated, although there were no projects in the last bond referendum in the Midlothian District, the voters voted in favor of those items to a greater degree than any other district in the county. He further stated he has taught at some of the most crowded schools in the county. He stated he feels the initial proposal for a 3,000-student high school in the middle of nowhere, was a very bad idea. He further stated the Board cannot make decisions of this magnitude without contrary opinions. He stated he feels

approval of the Cosby Road site and preparing for a bond referendum in November 2004 represents a move in a positive direction for the future of county schools.

Mr. McHale stated he will support the motion because the Planning Commission has determined the Cosby Road site is in substantial accord with the Comprehensive Plan, and the Board supported Marguerite Christian Elementary School and Carver Middle School in the Bermuda District.

Mr. Warren stated the purpose of the 2002 Growth Summit between the Planning Commission, School Board and Board of Supervisors was to address growth issues, including schools. He further stated, although he supported the entire package presented by the School Board from the beginning, he will support the Cosby Road site only because it was a part of the full package.

Mr. Warren called for a vote on the motion of Mr. Miller, seconded by Mr. Barber, for the Board to approve a comprehensive agreement with First Choice Public-Private Partners: Chesterfield, LLC, in an amount not to exceed \$48,098,045 plus the cost of land and off-site improvements, resulting in a total project cost of \$55,558,442, allowing construction of one new high school on a parcel of land on Cosby Road.

Ayes: Warren, McHale, Barber, Humphrey and Miller.

Nays: None.

8. TO CONSIDER ADOPTION OF A RESOLUTION WHICH AUTHORIZES THE COUNTY ADMINISTRATOR TO SUBMIT AN APPLICATION TO THE VIRGINIA PUBLIC SCHOOL AUTHORITY (VPSA), DECLARES THE OFFICIAL INTENT OF THE COUNTY TO REIMBURSE ITSELF FROM BOND PROCEEDS, AND AUTHORIZES THE ISSUANCE AND SALE OF GENERAL OBLIGATION SCHOOL BONDS TO THE VIRGINIA PUBLIC SCHOOL AUTHORITY

Ms. Dickson stated staff is requesting authorization for the County Administrator to submit an application to the Virginia Public School Authority to declare the official intent of the county to reimburse itself from bond proceeds, and to authorize the issuance and sale of general obligation school bonds in an aggregate principle amount, not to exceed \$59,695,000, representing one new high school at \$56,684,500, and including the following items already on the list: \$3,500,000 for construction of additions and renovations at Greenfield Elementary School; \$2,877,000 for construction of addition for specialty center and classroom space at Manchester High School; and \$6,633,500 for major maintenance at various schools.

Mr. Barber made a motion, seconded by Mr. Miller, for the Board to adopt a resolution authorizing the County Administrator to submit an application to the Virginia Public School Authority (VPSA), declaring the official intent of the county to reimburse itself from bond proceeds, and authorizing the issuance and sale of general obligation school bonds to the VPSA in aggregate amount not to exceed \$59,695,000.

Mr. McHale stated he feels the Board should move quickly on a bond referendum rather than waiting until November 2004, and necessary projects could be substantially advanced.

Mr. Warren stated he agrees with Mr. McHale.

Mr. Warren then called for a vote on the motion of Mr. Barber, seconded by Mr. Miller, for the Board to adopt the following resolution:

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF CHESTERFIELD, VIRGINIA, AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$59,695,000 AGGREGATE PRINCIPAL AMOUNT OF COUNTY OF CHESTERFIELD, VIRGINIA, GENERAL OBLIGATION SCHOOL BONDS; AUTHORIZING THE COUNTY ADMINISTRATOR TO SUBMIT AN APPLICATION TO THE VIRGINIA PUBLIC SCHOOL AUTHORITY TO PARTICIPATE IN ONE OR MORE FINANCINGS BY SUCH AUTHORITY AND TO ISSUE AND SELL SUCH BONDS TO SUCH AUTHORITY; PROVIDING FOR THE SALE OF SUCH BONDS TO THE AUTHORITY AND THE FORM AND THE INTEREST RATES, REDEMPTION OR PREPAYMENT PROVISIONS AND OTHER DETAILS THEREOF; AUTHORIZING THE DESIGNATION OF A BOND REGISTRAR AND PAYING AGENT FOR SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND SALE AGREEMENT, A USE OF PROCEEDS CERTIFICATE, A CERTIFICATE AS TO ARBITRAGE, A PROCEEDS AGREEMENT AND A CONTINUING DISCLOSURE AGREEMENT RELATING TO EACH SERIES OF SUCH BONDS; DECLARING THE OFFICIAL INTENT OF THE COUNTY TO REIMBURSE ITSELF FROM THE PROCEEDS OF SUCH BONDS FOR EXPENDITURES MADE PRIOR TO THE ISSUANCE OF SUCH BONDS; AND OTHERWISE PROVIDING WITH RESPECT TO THE ISSUANCE OF SUCH BONDS

BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF CHESTERFIELD, VIRGINIA:

SECTION 1. Findings and Determinations. The Board of Supervisors (the "Board of Supervisors") of the County of Chesterfield, Virginia (the "County"), hereby finds and determines as follows:

(a) On September 26, 2003, the School Board of the County (the "School Board"), adopted a resolution (the "School Board Resolution") (i) requesting, pursuant to Section 15.2-2640 of the Code of Virginia, 1950 (the "Virginia Code"), the Board of Supervisors to authorize the issuance and sale of general obligation school bonds of the County in an aggregate principal amount of not to exceed \$116,905,000 for the purpose of paying the costs of various capital school improvement projects of and for the County (such capital school improvement projects being referred to collectively as the "Project") and to submit an application to the Virginia Public School Authority (the "Authority") in connection with the issuance and sale of such bonds to the Authority; (ii) consenting, for purposes of Section 15.2-2638.B(iii) of the Virginia Code and Article VII, Section 10(b) of the Constitution of Virginia, 1971, to the issuance and sale of such bonds to the Authority; and (iii) requesting the Board of Supervisors to declare the official intent of the County under Treasury Regulation Section 1.150-2 to reimburse itself from the proceeds of such bonds for expenditures made with respect to the Project prior to the issuance of such bonds.

(b) Pursuant to the provisions of Title 15.2, Chapter 26, of the Virginia Code (the same being referred to herein

as the "Public Finance Act of 1991"), the County is authorized to contract debts for any project, borrow money for any project and issue its bonds to pay all or any part of the costs of acquiring, constructing, reconstructing, improving, extending, enlarging and equipping any project.

(c) In accordance with provisions of the School Board Resolution, the Board of Supervisors has determined that it is necessary and expedient for the County to contract a debt and to authorize the issuance and sale of general obligation school bonds of the County to be designated and known as "County of Chesterfield, Virginia, General Obligation School Bonds" in an aggregate principal amount of not to exceed \$59,695,000 (the "Bonds") to pay or any part of the costs of acquiring, constructing, reconstructing, improving, extending, enlarging and equipping the Project.

(d) The Board of Supervisors has determined to authorize the County Administrator on behalf of the County to submit an application to the Authority to participate in one or more stand-alone or pooled financings by the Authority and to delegate to the County Administrator the authority, without further action by the Board of Supervisors, to issue and sell the Bonds to the Authority in one or more series in accordance with the provisions of this resolution.

(e) The Board of Supervisors has determined to declare the official intent of the County under Treasury Regulation Section 1.150-2 to reimburse itself from the proceeds of the Bonds for expenditures made with respect to the Project prior to the issuance of the Bonds.

(f) In accordance with the provisions of Section 15.2-2606.A of the Virginia Code, the Board of Supervisors has held a public hearing, duly noticed, before the adoption of this resolution authorizing the issuance of the Bonds.

SECTION 2. Authorization of Application to Issue and Sell the Bonds to the Virginia Public School Authority. The County Administrator is hereby authorized on behalf of the County to submit an application to the Authority to participate in one or more stand-alone or pooled financings by the Authority and to issue and sell the Bonds to the Authority in one or more series in an aggregate principal amount of not to exceed \$59,695,000 for the purpose of paying the costs of the Project.

SECTION 3. Authorization of Issuance of Bonds. (a) Pursuant to the provisions of the Public Finance Act of 1991 and upon the terms, conditions and provisions set forth in this resolution, the Board of Supervisors hereby authorizes the County to contract a debt and to issue one or more series of general obligation school bonds of the County to be designated and known as "County of Chesterfield, Virginia, General Obligation School Bonds" in an aggregate principal amount of not to exceed \$59,695,000 (hereinbefore defined as the "Bonds") for the purpose of paying the costs of various capital school improvement projects of the County (hereinbefore referred to collectively as the "Project"). The Bonds of each series shall have such series designation or designations as shall be determined by the County Administrator.

(b) The Bonds of each series shall be issuable in fully-registered form, shall be dated the date of issuance

and delivery of the Bonds of such series or such other date as shall be determined by the County Administrator, shall bear interest from the date of delivery of the Bonds of such series or such other date as shall be determined by the County Administrator, such interest to be payable on such first interest date as shall be determined by the County Administrator and semiannually thereafter (each an "Interest Payment Date"), subject to the provisions of Section 5 of this resolution and at the rates established in accordance with Section 5 of this resolution, and shall mature on such date in each of the years (not exceeding forty (40) years from the date of the Bonds of such series) (each a "Principal Payment Date") and in the amounts in each such year (the "Principal Installments") as shall be determined by the County Administrator, without further action by the Board of Supervisors, subject to the provisions of Section 5 of this resolution.

SECTION 4. Sale of Bonds. There is hereby delegated to the County Administrator the authority, without further action by the Board of Supervisors, to sell the Bonds of each series to the Authority at such price, determined by the Authority at the time of sale to be fair and accepted by the County Administrator; provided that the true interest cost to the County with respect to the Bonds of any such series shall not exceed eight percent (8.00%). The County Administrator is hereby authorized and directed to enter into a Bond Sale Agreement with the Authority providing for the sale of the Bonds of each series to the Authority in substantially the form entered into by the County with the Authority in connection with previous sales of general obligation school bonds by the County to the Authority (the "Bond Sale Agreement").

SECTION 5. Interest Rates and Principal Installments. There is hereby delegated to the County Administrator the authority, without further action of the Board of Supervisors, to accept the interest rates on the Bonds of each series established by the Authority; *provided* that each such interest rate shall be not more than ten one-hundredths of one percent (0.10%) over the annual rate to be paid by the Authority for the corresponding principal payment date of the bonds to be issued by the Authority (the "Authority Bonds"), the proceeds of which will be used to purchase the Bonds of such series, and *provided further* that the true interest cost with respect to the Bonds of any such series shall not exceed eight percent (8.00%). The Interest Payment Dates and the Principal Installments are subject to change at the request of the Authority. There is hereby delegated to the County Administrator the authority, without further action by the Board of Supervisors, to accept changes in the Interest Payment Dates and the Principal Installments at the request of the Authority; *provided* that the aggregate principal amount of the Bonds shall not exceed the amount authorized by this resolution. The execution and delivery of the Bonds of any series as described in Section 9 hereof shall conclusively evidence such interest rates established by the Authority and the Interest Payment Dates and the Principal Installments requested by the Authority as having been so accepted as authorized by this resolution.

SECTION 6. Form of the Bonds. For as long as the Authority is the registered owner of the Bonds of a series of

the Bonds, the Bonds of such series shall be in the form of a single, temporary typewritten bond substantially in the form attached hereto as Exhibit A with such changes as shall be approved by the County Administrator.

SECTION 7. Payment; Paying Agent and Bond Registrar. The following provisions shall apply to the Bonds of each series:

(a) For as long as the Authority is the registered owner of the Bonds of a series of the Bonds, all payments of principal of and premium, if any, and interest on the Bonds of such series shall be made in immediately available funds to the Authority at, or before 11:00 A.M. on the applicable Interest Payment Date, Principal Payment Date or date fixed for prepayment or redemption, or if such date is not a business day for Virginia banks or for the Commonwealth of Virginia, then at or before 11:00 A.M. on the business day next preceding such Interest Payment Date, Principal Payment Date or date fixed for prepayment or redemption.

(b) All overdue payments of principal and, to the extent permitted by law, interest shall bear interest at the applicable interest rate or rates on the Bonds of such series.

(c) There is hereby delegated to the County Administrator the authority to designate a Bond Registrar and Paying Agent for the Bonds of each series of the Bonds.

SECTION 8. Redemption or Prepayment. The Principal Installments of the Bonds of each series shall be subject to redemption or prepayment upon such terms and conditions as shall be determined by the Authority and accepted by the County Administrator, without further action by the Board of Supervisors; *provided* that in no event shall the premium payable upon the redemption or prepayment of any Bond of any series be in excess of three percent (3%) of the principal amount of such Bond. The Board of Supervisors covenants, on behalf of the County, not to refund or refinance the Bonds of any series without first obtaining the written consent of the Authority or the registered owner of the Bonds of such series.

SECTION 9. Execution and Delivery of Bonds. The Bonds of each series shall be executed in the name of the County by the manual or facsimile signatures of the Chairman and the Clerk of the Board of Supervisors, and the corporate seal of the Board of Supervisors shall be impressed, or a facsimile thereof printed, on the Bonds.

SECTION 10. Pledge of Full Faith and Credit. For the prompt payment of the principal of and premium, if any, and the interest on the Bonds as the same shall become due, the full faith and credit of the County are hereby irrevocably pledged. In each year while any of the Bonds shall be outstanding, the Board of Supervisors is authorized and required to levy and collect annually, at the same time and in the same manner as other taxes of the County are assessed, levied and collected, a tax upon all taxable property within the County, over and above all other taxes, authorized or limited by law and without limitation as to rate or amount, sufficient to pay when due the principal of and premium, if

any, and interest on the Bonds to the extent other funds of the County are not lawfully available and appropriated for such purpose.

SECTION 11. Use of Proceeds Certificate and Certificate as to Arbitrage. The Chairman of the Board of Supervisors, the County Administrator and such officer or officers of the County as either may designate are hereby authorized and directed to execute a Certificate as to Arbitrage and a Use of Proceeds Certificate each setting forth the expected use and investment of the proceeds of the Bonds of each series and containing such covenants as may be necessary in order to show compliance with the provisions of the Internal Revenue Code of 1986 (the "1986 Code") and applicable regulations promulgated thereunder relating to the exclusion from gross income of interest on the Bonds of each series and on the Authority Bonds. The Board of Supervisors covenants on behalf of the County that (i) the proceeds from the issuance and sale of the Bonds of each series will be invested and expended as set forth in such Certificate as to Arbitrage and such Use of Proceeds Certificate and that the County shall comply with the other covenants and representations contained therein; and (ii) the County shall comply with the provisions of the 1986 Code so that interest on the Bonds of each series and on the Authority Bonds will remain excludable from gross income for federal income tax purposes.

SECTION 12. State Non-Arbitrage Program; Proceeds Agreement. The Board of Supervisors hereby determines that it is in the best interests of the County to authorize and direct the County Treasurer to participate in the State Non-Arbitrage Program in connection with the Bonds of each series. The Chairman of the Board of Supervisors, the County Administrator and such officer or officers of the County as either may designate are hereby authorized and directed to execute and deliver a Proceeds Agreement with respect to the deposit and investment of proceeds of the Bonds by and among the County, the other participants, if any, in the sale of the Authority's Bonds of each series, the Authority, the investment manager and the depository, substantially in the form entered into by the County with the other participants in the sale of the Authority Bonds, the Authority, the investment manager and the depository in connection with previous sales of general obligation school bonds by the County to the Authority, which form is hereby approved.

SECTION 13. Continuing Disclosure Agreement. The Chairman of the Board of Supervisors, the County Administrator and such officer or officers of the County as either may designate are hereby authorized and directed to execute a Continuing Disclosure Agreement, as set forth in an appendix to the Bond Sale Agreement relating to each series of the Bonds, setting forth the reports and notices to be filed by the County and containing such covenants as may be necessary in order to show compliance with the provisions of the Securities and Exchange Commission Rule 15c2-12 and directed to make all filings required by the Bond Sale Agreement should the County be determined to be a MOP (as defined in the Continuing Disclosure Agreement).

SECTION 14. Declaration of Official Intent. Subject to the appropriation of moneys by the Board of Supervisors for such purpose, the Board of Supervisors hereby declares that

the County reasonably expects and intends to reimburse itself from the proceeds of the Bonds for expenditures made by the County and the School Board with respect to the Project prior to the issuance of the Bonds. The adoption of this resolution shall be deemed an "official intent" within the meaning of Treasury Regulation Section 1.150-2 promulgated under the 1986 Code.

SECTION 15. Invalidity of Sections, Paragraphs, Clauses or Provisions. If any section, paragraph, clause or provision of this resolution shall be held invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining portions of this resolution.

SECTION 16. Headings of Sections. The headings of the sections of this resolution shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of such sections or of this resolution.

SECTION 17. Further Actions. The members of the Board of Supervisors and all officers, employees and agents of the County are hereby authorized to take such action as they or any one of them may consider necessary or desirable in connection with the issuance and sale of the Bonds of each series of the Bonds and any such action previously taken is hereby ratified and confirmed.

SECTION 18. Filing of Resolution. The Clerk of the Board of Supervisors is hereby authorized and directed to cause a certified copy of this resolution, certified by the Clerk of the Board of Supervisors to be a true and correct copy hereof, with the Circuit Court of the County.

SECTION 19. Effective Date. This resolution shall take effect upon its adoption.

Ayes: Warren, McHale, Barber, Humphrey and Miller.

Nays: None.

Mr. Warren inquired about ways to accelerate projects using a bond referendum and addressing priority issues such as the need for a middle school and a new Clover Hill High School.

Dr. Cannaday stated he feels the School Board, Board of Supervisors and Planning Commission can work together to provide solutions to the overcrowding issues as quickly as possible.

Mrs. Humphrey requested that Dr. Cannaday and Mr. Ramsey take time to evaluate the PPEA process to determine how Chesterfield County fits into this process.

9. TO CONSIDER REVISIONS TO THE FY2004 SCHOOL CAPITAL IMPROVEMENT FUND APPROPRIATIONS

Ms. Dickson stated staff is requesting that the Board increase the School Capital Improvements Fund by \$46,684,500.

On motion of Mr. Miller, seconded by Mr. Barber, the Board increased the School Capital Improvements Fund by \$46,684,500.

Ayes: Warren, McHale, Barber, Humphrey and Miller.

Nays: None.

10. ADJOURNMENT

On motion of Mr. McHale, seconded by Mr. Warren, the Board adjourned at 9:03 p.m. until December 17, 2003 at 3:30 p.m.

Ayes: Warren, McHale, Barber, Humphrey and Miller.

Nays: None.

Lane B. Ramsey
County Administrator

Arthur S. Warren
Chairman